

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 97-274-C - ORDER NO. 97-857

OCTOBER 8, 1997

IN RE: Application of E-Z Tel, Inc. for a Certificate of Public Convenience and Necessity to Provide Resold Local Exchange Telecommunications Service in the State of South Carolina.) ORDER
GRANTING
CERTIFICATE
TO PROVIDE
LOCAL SERVICE

This matter comes before the Public Service Commission of South Carolina ("the Commission") by way of the application of E-Z Tel, Inc. ("E-Z Tel" or "the Company"). The Application requests that the Commission grant a Certificate of Public Convenience and Necessity to permit E-Z Tel to provide resold local exchange services in the State of South Carolina within all those territories currently served by nonrural LECs. The Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1996), and the Regulations of the Commission.

By letter dated July 16, 1997, the Commission's Executive Director instructed E-Z Tel to publish, one time, a prepared Notice of Filing and Hearing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing and Hearing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings and to provide notice of the hearing date on this matter. E-Z Tel complied with this instruction and provided the Commission with proof of publication

of the Notice of Filing and Hearing. A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC").

A hearing was convened on September 25, 1997, at 11:30 a.m. in the Commission's Hearing Room. The Honorable Guy Butler, Chairman, presided. E-Z Tel was represented by Faye A. Flowers, Jr., Esquire. The Commission Staff ("Staff") was represented by Florence P. Belser, Staff Counsel. The SCTC did not appear at the hearing.

In support of its Application, E-Z Tel presented Jim Graham, President and Director of E-Z Tel, to testify. The purpose of Mr. Graham's testimony was to provide an overview of E-Z Tel, to describe the services E-Z Tel seeks to offer in South Carolina, and to demonstrate that E-Z Tel has the technical, managerial, and financial capability to provide local exchange telecommunications services in South Carolina.

DISCUSSION

S.C. Code Ann. §58-9-280 (Supp. 1996) provides that the Commission may grant a certificate to operate as a telephone utility ... to applicants proposing to furnish local telephone service in the service territory of an incumbent LEC.

After full consideration of the applicable law, E-Z Tel's Application, and the evidence presented at the hearing, the Commission finds and concludes that the Certificate sought by E-Z Tel should be granted. The Commission's determination is based on the following criteria as provided in S.C. Code Ann. §58-9-280 (Supp. 1996) and the evidence presented at the hearing which relates to that criteria:

(1) The Commission finds that E-Z Tel possesses the technical, financial, and managerial resources sufficient to provide the services requested. S.C. Code Ann. §58-9-280(B)(1) (Supp. 1996). Mr. Graham testified that E-Z Tel proposes to offer basic local exchange service on a prepaid basis. To demonstrate E-Z Tel's technical qualifications, Mr. Graham testified that E-Z Tel is currently providing prepaid local services in Texas, Florida, Georgia, Arkansas, and Tennessee. Mr. Graham also testified that E-Z Tel's parent corporation, Comm South Companies, Inc., has 45,000 active customers on-line and expects billings of approximately \$40,000,000 in the next twelve months. Furthermore, as a reseller of local exchange service, the technical ability of E-Z Tel will be enhanced by the underlying carriers.

Concerning E-Z Tel's managerial qualifications, Mr. Graham testified that E-Z Tel has the managerial expertise to provide the services for which E-Z Tel seeks authority. The record reveals that E-Z Tel and its parent company have experience in the technical requirements of establishing residential dial tone as well as PBX installations. Regarding E-Z Tel's financial resources, Mr. Graham testified that E-Z Tel has sufficient financial resources to provide local services. E-Z Tel, a North Carolina corporation, is a wholly-owned subsidiary of Comm South Companies, Inc. ("Comm South"), which is a Texas corporation. Mr. Graham stated that E-Z Tel has the financial backing and support of its parent company Comm South, and that Comm South expects billings of approximately \$40,000,000 in the next twelve months.

No other party offered any evidence in opposition to Mr. Graham's testimony. Based on the undisputed evidence of the record, the Commission finds that E-Z Tel possesses the technical, financial, and managerial resources sufficient to provide the services requested.

(2) The Commission finds that E-Z Tel will provide services that will meet the service standards of the Commission. S.C. Code Ann. §58-9-280(B)(2) (Supp. 1996). Mr. Graham testified that E-Z Tel seeks to offer basic local exchange service on a prepaid basis. Mr. Graham specifically stated that E-Z Tel will comply with all applicable rules, policies, and statutes applicable to the offering of those services and that E-Z Tel fully intends to meet the Commission's service standards. Furthermore, counsel for E-Z Tel stated that E-Z Tel would make certain changes to its tariff, as suggested by Staff, to bring the tariff into compliance with Commission Rules and Regulations. No party offered any evidence to dispute Mr. Graham's testimony. Based on the undisputed testimony from Mr. Graham, the Commission believes, and so finds, that E-Z Tel will provide telecommunications services which will meet the service standards of the Commission.

(3) The Commission finds that E-Z Tel's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. §58-9-280(B)(3) (Supp. 1996). Mr. Graham stated that E-Z Tel's service offerings would not adversely impact the availability of affordable local exchange service. Mr. Graham also offered that it can expected that increased competition will lower the cost of local service to

consumers. No party offered any evidence that the provision of local exchange service by E-Z Tel would adversely affect local rates. Therefore, based on the undisputed evidence of record, the Commission finds that provision of local exchange services by E-Z Tel will not adversely impact affordable local exchange service.

(4) The Commission finds that E-Z Tel will support universally available telephone service at affordable rates. S.C. Code Ann. §58-9-280(B)(4) (Supp. 1996). Mr. Graham testified that E-Z Tel will comply with the Commission's universal service requirements. No party disputed Mr. Graham's testimony. Based on the undisputed evidence of record, the Commission finds that E-Z Tel will participate in support of universally available telephone service at affordable rates.

(5) The Commission finds that the provision of local exchange service by E-Z Tel "does not otherwise adversely impact the public interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 1996). Mr. Graham offered that approval of E-Z Tel to provide services will benefit consumers by ensuring competitive local service within the State of South Carolina. Mr. Graham stated that E-Z Tel will market its services to consumers who have been disconnected or denied service by LECs on account of nonpayment and who might not otherwise be able to obtain local telephone service. Thus E-Z Tel proposes to serve a segment of the population which might otherwise be denied access to local phone service. Mr. Graham's testimony was undisputed as no party offered any evidence that approval of E-Z Tel's Application would adversely impact the public interest. Therefore, the Commission

finds that approval of E-Z Tel's Application for a Certificate to provide local exchange service "does not otherwise adversely impact the public interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 1996).

Therefore, based on the findings above, the Commission finds and concludes that the Certificate sought by E-Z Tel should be granted.

IT IS THEREFORE ORDERED THAT:

1. The Application of E-Z Tel for a Certificate of Public Convenience and Necessity to provide local exchange telecommunications services in the State of South Carolina within all those territories currently served by nonrural LECs is approved and the Certificate of Public Convenience and Necessity is hereby granted.

2. E-Z Tel shall file, prior to offering local exchange services in South Carolina, a final tariff of its service offerings. The final tariff shall include the modifications and changes as proposed by the Commission Staff and to which E-Z Tel agreed.

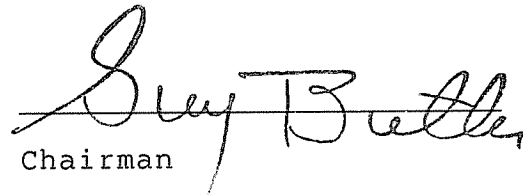
3. E-Z Tel shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, and tests and repairs. In addition, E-Z Tel shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. E-Z Tel shall

file with the Commission the names, addresses, and telephone numbers of these representatives within thirty (30) days of receipt of this Order. (Attachment A shall be utilized for the provision of this information to the Commission.) Further, E-Z Tel shall promptly notify the Commission in writing if the representatives are replaced. E-Z Tel is directed to comply with all Commission regulations unless expressly waived by the Commission.

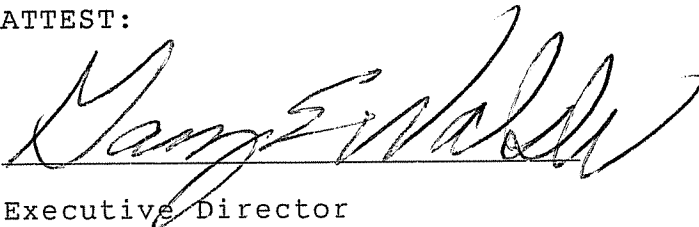
4. E-Z Tel shall conduct its business in accordance with Commission decisions and Orders, both past and future, including, but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

5. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Deputy Executive Director

(SEAL)

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ATTACHMENT A

**INFORMATION OF THE AUTHORIZED UTILITY REPRESENTATIVES
FOR INTEREXCHANGE, LOCAL AND AOS COMPANIES:**

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION
REGULATION 103-612.2.4(b), each utility shall file and
maintain with the Commission the name, title, address, and
telephone number of the persons who should be contacted in
connection with Customer Relations/Complaints.

Company Name/DBA Name

Business Address

City, State, Zip Code

Authorized Utility Representative (Please Print or Type)

Telephone Number

Fax Number

E-Mail Address

This form was completed by

Signature

Upon completion, please return this form to the Consumer
Services Department, South Carolina Public Service
Commission, P.O. Drawer 11649, Columbia, South Carolina
29211. If you have any questions, contact the Consumer
Services Department at 803-737-5230